

A weekly update of energy prices and issues to help leaders assess energy trends throughout the year.

Media Excerpts: A snapshot of state and national energy issues*

Utilities & Energy Efficiency: The Fifth Fuel
Lexington, KY – November 28, 2006

LEED for Existing Buildings Tech. Review Workshop
Louisville, KY – December 6, 2006

Emerging Fuels Workshop
Atlanta, GA – December 5-6, 2006

Governor Fletcher announces Office of Energy Policy's move to the Governor's Office. Governor Ernie Fletcher announced that the Office of Energy Policy has been moved to the Governor's office and will now be called the Governor's Office of Energy Policy. The reorganization will allow the office, which was previously part of the Commerce Cabinet, to work more closely with the Governor and his staff to implement and promote the Governor's vision of energy policy in the commonwealth. The announcement was made at the 2006 Kentucky Energy Summit, held October 20 in Louisville. For the complete news release, visit <http://kentucky.gov/Newsroom/energy/goep.htm>.

Ky. urged to be power player: Fletcher encourages investments at summit. Kentucky should be "a leader in new energy technology" with clean-coal generation, biofuels and other cutting-edge applications, Gov. Ernie Fletcher said yesterday at a state energy summit in Louisville. But government officials must find a way to encourage investment in such potentially expensive technologies without sharp increases in Kentucky's electricity rates, now among the lowest in the nation, he said. Fletcher was the keynote speaker at the summit, "Unbridled Energy: The Industrialization of Kentucky's Energy Resources," at the Kentucky International Convention Center. Among other speakers were U.S. Sen. Jim Bunning, R-Ky., and industry and nonprofit group officials. The nation's growing need for energy creates "a tremendous amount of opportunity" for Kentucky, Fletcher said. ("Ky. urged to be power player," *Courier-Journal*, 10/21/06)

PSC to give annual update on natural gas prices. Natural gas prices during the 2006-2007 heating season will be discussed during an Oct. 27, 2006, news briefing at the Kentucky Public Service Commission (PSC). The briefing will be broadcast live, beginning at 10 a.m. EDT, via the Internet on the PSC Web site, at <http://psc.ky.gov/sitemap.htm#AV>. Click on the link for Hearing Room 1. A high-speed Internet connection is recommended for viewing the briefing. Members of the public or news media viewing the briefing online will be able to submit questions via e-mail. The e-mail address, <mailto:naturalgasbriefing@ky.gov>, will be available shortly before the briefing begins. For more information, visit psc.ky.gov. ("PSC to Give Annual Update on Natural Gas Prices," *PSC press release*, 10/19/06)

Fixed-rate gas program raises questions. When natural gas prices go up, your bill doesn't. Sounds like a homeowner's dream. But when prices go down, your bill doesn't. With natural gas prices falling dramatically nationwide, Central Kentucky residents who are enrolled in the Columbia Gas of Kentucky Customer Choice program, which allows them to buy gas from other companies that offer fixed-rate long-term contracts, have found that Columbia's prices are now cheaper than some of the contracts they once signed hoping to lock in cheap fuel prices. It's a situation that has raised questions on the wisdom of locking in prices in short-term and long-term contracts over what is generally a highly volatile commodity. ("Fixed-rate gas program raises questions," *Herald-Leader*, 10/24/06)

Fireman's Fund® First to Introduce Green Building Coverage. In response to commercial real estate's green building movement evolving from the benefits to the environment and building owner's bottom line, Fireman's Fund Insurance Company today announced Certified Green Building Replacement and Green Upgrade coverages. Fireman's Fund® is the first and only insurance company to offer coverage specifically for green commercial buildings and address the unique risks that are acquired with sustainable building practices. This offering of coverages protects buildings that are green-certified as well as buildings and facilities whose owners would like to capture green benefits. The coverage for LEED certified buildings offers a discount due to lower risk factors. Conventional insurance policies only cover the cost to restore a building to its original condition. Under Fireman's Fund Green Building Replacement, Green Upgrade, and Commissioning coverages commercial property owners and managers are able to rebuild and replace with green alternatives. ("Fireman's Fund® First to Introduce Green Building Coverage," *Insurance Newsnet*, 10/13/06)

DOE announces over \$8 million to increase use and availability of alternative fuels. U.S. Department of Energy (DOE) Secretary Samuel W. Bodman announced \$8.6 million for 16 projects to expand the use of alternative transportation fuels. Combined with funding from the participants, more than \$25 million will be invested in the nation's alternative fuel infrastructure. The grants are part of the Clean Cities program and were selected under three topic areas including Refueling Infrastructure for E85 and Alternative Fuels; Incremental Cost for Alternative Fuel Vehicles; and Idle Reduction Training and Awareness for School Districts. The State of Indiana will establish a network of E85 and Biodiesel refueling stations spanning from Lake Michigan to the Gulf of Mexico. The project will coordinate the placement of 31 public access alternative fuel refueling stations along 886 miles of the I-65 corridor from Gary, Indiana to Mobile, Alabama including 19 stations in Indiana, three in Kentucky, three in Tennessee, and six in Alabama. Team members include the Indiana Soybean Board, the Indiana Department of Transportation, the Kentucky Energy Office, the Tennessee Energy Office, and various retailer outlets. Clean Cities partners include Central Indiana, South Shore, Middle Tennessee, Central Alabama, and Kentucky. DOE Share: \$1,332,288 Proposed Total Project: \$2,874,689. ("DOE announces over \$8 million to increase use and availability of alternative fuels," *U.S. DOE press release*, 10/25/06)

These are media summaries. Please consult the source directly to ensure the accuracy of the information presented. Underlined titles are links to online articles in their entirety.



Kentucky Retail Fuel Prices (Dollars per gallon)

Product	10/25/06	10/18/06	10/11/06	10/04/06	Year Ago
Propane	1.923	1.926	1.912	1.909	1.987
Heating Oil	2.206	2.195	2.172	2.177	2.865
Gasoline (State avg.)	2.122	2.125	2.146	2.104	2.509
Ashland	2.172	2.185	2.158	2.157	2.653
Covington	2.160	2.156	2.179	2.138	2.511
Lexington	2.135	2.147	2.187	2.064	2.409
Louisville	2.122	2.124	2.168	2.051	2.428
Owensboro	2.015	2.047	2.076	2.076	2.463
Diesel (State avg.)	2.516	2.505	2.511	2.535	3.172
Ashland	2.561	2.565	2.587	2.632	3.156
Covington	2.586	2.558	2.548	2.625	3.217
Lexington	2.548	2.529	2.546	2.583	3.229
Louisville	2.532	2.532	2.550	2.587	3.188
Owensboro	2.542	2.462	2.453	2.451	3.186

Note: The record high average price for gasoline in Kentucky is \$3.049 and occurred on Sept. 3, 2005.

Source: Propane and Heating Oil: [KDRE3/EIA Survey](#)

Gasoline (unleaded regular) & Diesel: National AAA, <http://www.fuelgaugereport.com/KYavg.asp>

Wholesale Fuel Prices

Spot Prices	10/25/06	10/18/06	10/11/06	10/04/06	Year Ago
Crude Oil (Dollars per barrel)	59.11	57.66	57.60	59.42	61.13
West Texas Intermediate, fob					
Natural Gas (Dollars per MMBtu)	7.340	6.110	5.530	4.250	13.03
Henry-Hub					

Source: [Oilenergy.com](#)

Futures		Nov-06	Dec-06	Jan-07
Crude Oil (Dollars per barrel)	10/25/06	-	61.40	63.07
Light Sweet Crude Oil	10/18/06	57.65	59.30	60.77
	10/11/06	57.59	59.45	-
Natural Gas (Dollars per MMBtu)	10/25/06	7.693	8.328	8.701
Henry-Hub	10/18/06	6.807	7.852	8.267
	10/11/06	6.150	7.675	-
Propane (Cents per gallon)	10/25/06	92.50	93.50	95.00
	10/18/06	96.50	96.75	99.25
	10/11/06	96.50	96.75	-
Coal (Dollars per ton)	10/20/06	43.85	-	-
Central Appalachian	10/13/06	42.25	-	-
	10/06/06	42.25	-	-

Source: [NYMEX closing price](#) and [EIA Coal Futures](#)

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